

STATE OF THE UNIVERSITY ADDRESS

Interim Chancellor Paul D. Sarvela
September 9, 2014



Thank you for coming today.

I'm honored to have been appointed your interim chancellor just two months ago today, after a 28-year affiliation with SIU Carbondale.

I'm equally honored to have this opportunity to share with you my early thoughts on the state of the university.

TODAY'S TOPICS

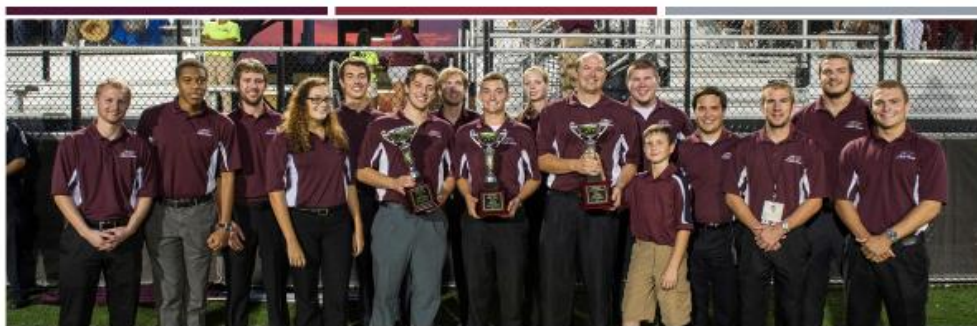


- Successes
- Focus Areas
- Community

Today, I would like to:

- Celebrate our successes
- Explore areas that deserve our focus and attention, and
- Share thoughts about what it means to be a campus community

Let me start with just a few of our recent student successes.



Flying Salukis

Debate team

alt.news 26:46

Security Dawgs

American Marketing Association Student Chapter

Engineering Students: Rover Challenge

The Flying Salukis captured a ninth National Intercollegiate Flying Association national title -- the team's second in four years.

Our debate team continues to set the standard across the country, winning the 2014 National Parliamentary Debate Association championship. The team has five national titles and seven straight "Final Four" appearances.

For a second straight year and the seventh time in program history, "alt.news 26:46" took top honors as the best collegiate television magazine news show in the nation.

The "Security Dawgs" cyber defense team won its third overall and second straight Illinois Collegiate Cyber Defense competition.

The American Marketing Association honored its SIU student chapter in the College of Business with the Excellence Chapter Planning Award. The chapter has raised more than \$100,000 for Special Olympics in the last three years.

College of Engineering students finished in two of the three top spots at NASA's annual Human Exploration Rover Challenge. Our teams posted some of the fastest vehicle assembly and race times in their divisions.



In athletics, the men's and women's cross country teams both won conference championships, the first sweep by a Missouri Valley Conference school in 25 years.

The athletics department also recorded a GPA of 3.11, its highest in 20 years.

There are many other individual and group student achievements to celebrate. While we can't list them all here, I hope our faculty and staff will continue to celebrate them all in the colleges and departments.

FACULTY AND STAFF EXCELLENCE AWARDS	
▪ Scholar Excellence Award	Kathleen C.M. Campbell , School of Medicine
▪ Teaching Excellence Award	Roudy W. Hildreth , Political Science
▪ Early Career Faculty Excellence Award	Kyle N. Plunkett , Chemistry and Biochemistry
▪ Women of Distinction Award	Stacia Robertson , Rehabilitation Institute
▪ Staff Excellence Award	Zenetta McDaniel Coleman , Univ. Honors Program
	Ronald A. Dunkel , Student Center
	Harvey Henson Jr. , College of Science

Our faculty and staff support our outstanding students and bring credit to the university in multiple ways.

Listed here are the 2014 recipients of our faculty and staff excellence awards.

Our faculty also excels in research; here are a few notable grants among many this year:

Two College of Science faculty members, Eric Chitambar, Physics, and Kyle Plunkett, in Chemistry, received highly competitive, prestigious five-year, \$500,000 CAREER grants from the National Science Foundation.

Dr. Rong Yuan in the Department of Internal Medicine received a nearly \$700,000 grant from the NIH to study a potential aging gene.

A team from the Center for Fisheries, Aquaculture, and Aquatic Sciences received a \$1 million grant from the Illinois Department of Natural Resources to continue their important work on the Asian carp problem.

A grant from the Ezra Jack Keats Foundation allowed students from the College of Education and Human Services to participate in semester-long creative arts and cultural enrichment project with the Herrin Elementary School and the Herrin City Library called "In My Neighborhood."

Ruth Anne Rehfeldt of behavior analysis and therapy teamed with colleagues at Swansea University in the United Kingdom and the University of Vermont to secure \$116,090 in Autism Speaks grant funding for research to improve the communication skills of children with autism.

In terms of creative activity, we have an active faculty, as well.

For example, a documentary by H.D. Motyl, associate professor of radio, television, and digital media, titled "Cowboy Christmas" earned "Best Feature Documentary" at the Madrid International Film Festival and the "Best of the Fest" in the Faculty Documentary category at the BEA Media Festival of Arts.

Overall, our faculty demonstrate significant success writing grants, presenting papers, publishing in journals, showing their work at exhibitions, performing music and participating in many other activities that contribute to their professions and the university.

DEGREE AND CERTIFICATE PROGRAMS	
■ Associate in Applied Science	3
■ Bachelor of Arts/Sciences	96
■ Master of Arts/Sciences	77
■ Doctoral/Law/Medicine	37
■ Certificate	<u>14</u>
TOTAL	227



Turning to our degree programs, I note that we offer more than 225 degree and certificate programs across a very large range of disciplines. We should celebrate the breadth and diversity of our academic programs.

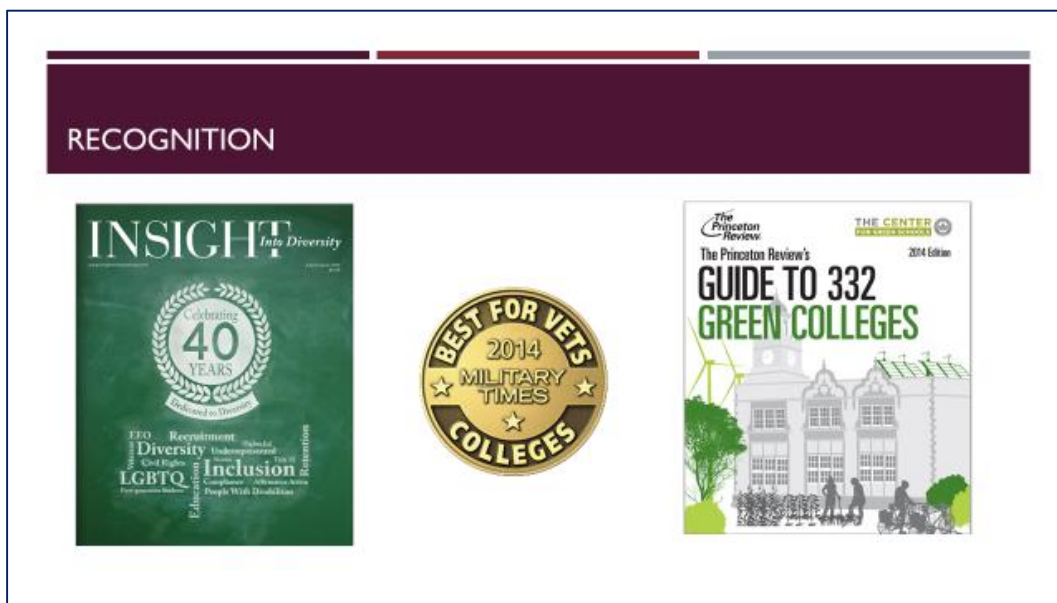
Many programs are recognized as leaders in their fields. To name just a few:

The rehabilitation counseling program is one of the top three for research productivity over a 10-year period according to the "Rehabilitation Counseling Bulletin," one of the top journals in the field.

National Jurist magazine ranks the law school 12th in the nation in improved employment rates of graduates between 2011 and 2013.

The Institute for Plastic Surgery at the School of Medicine launched the first clinical hand transplant program in Illinois for patients; this is the 11th such program in the nation.

And earlier this year, supporting all of our programs, we opened the sixth and seventh floors of Morris Library. The flexible and technology-rich study spaces and classrooms created a new hub for a variety of campus activities that enhance teaching and learning.



We have much to celebrate university-wide, as well.

For the third consecutive year, we will receive the Higher Education Excellence in Diversity award from INSIGHT into Diversity magazine. We'll share information about this outstanding recognition later this month.

Our strong commitment to serving veterans and active-duty personnel continues to earn recognition from U.S. News and World Report, Military Times and Military Advanced Education magazines.

A reminder: we all have an opportunity later this week to honor those who made the ultimate sacrifice in the Vietnam War, and all who served, when the Traveling Wall is on our campus. The opening ceremony is Thursday evening at 6:30.

Thursday at 4 p.m., SIU Carbondale will receive the Governor's Award for Veteran Education. We are the only institution to have earned this honor twice. Everyone is invited to both events.


For the third time in five years, we earned a place in "The Princeton Review's Guide to 322 Green Colleges."



As an aside, we should celebrate the recently constructed, state-of-the-art composting facility, the largest in the Midwest, which can turn more than 87 tons of food scraps and other organic material into a marketable byproduct.

One final success to celebrate that over time will impact every aspect of our university: Last year, the SIU Foundation recorded a 43 percent increase in gift receipts compared to the prior year. The \$13.9 million total includes three gifts of \$1 million or more.

FOCUS AREAS



- Student recruitment and retention
- Quality education and research
- Operational efficiency and effectiveness
- Regional engagement

Now, I would like to turn to four key areas that in some cases give us additional reasons to celebrate but also deserve our continued focus and attention. They are:

- Student recruitment and retention
- Quality education and research
- Operational efficiency and effectiveness
- Regional engagement



Bursar

Center for International Education

Financial Aid

Registrar

Transfer Student Services


Undergraduate Admissions

Let's start with the enrollment side of recruitment and retention.

You've seen the reports that we can celebrate a very modest increase in overall enrollment this year -- the first overall increase in 10 years.

I want to give credit to our enrollment management staff, including the admissions team pictured here, as well as to our deans, chairs, advisers, faculty and staff across campus for this achievement.

ENROLLMENT HIGHLIGHTS



- Freshmen ↑
- Transfer ↑
- Off-campus ↑
- International ↑

A few highlights of our enrollment numbers bear repeating:

Overall enrollment increased by 25 students, so the increase is relatively flat, but we saw healthy increases in freshman, transfer and off-campus students. All of that is a positive signal for the future.

Total international student enrollment increased nearly 25 percent, and enrollment of new international undergraduate and graduate students is the highest since 1985.


This the result of a strategic recruitment plan developed and implemented over the past three years by the Center for International Education, the Graduate School, and the Center for English as a Second Language.

Our newest international students come from 57 different countries; the top five nations in this count are Brazil, India, China, Saudi Arabia and Taiwan.

We have also seen enrollment increases in a number of colleges. We do, however, continue to see declines in enrollment in some colleges and graduate programs.

While our fall enrollment numbers represent a significant turning point after years of decline, we still have much work to do to continue our momentum.

RETENTION PLAN



- Steering Committee
- Advising
- Curriculum
- Early Alert System
- Engagement
- Exploratory
- Learning and Success
- Mentoring
- Registration
- UCOL 101
- Underprepared

Retention is an important piece of the overall enrollment puzzle.

Many people across campus have been engaged in the development and implementation of our two-year, rolling retention plan. This plan focuses on targeted populations as well as all students and remains a very high priority.

The plan looks at retention comprehensively, as you'll see from this list of teams working with the retention steering committee.

We also have a number of academic departments, such as mathematics, deeply engaged in addressing retention.

While we don't yet have our fall-to-fall freshman to sophomore retention numbers finalized, we had an early signal that we were making progress when we saw improved fall-to-spring data earlier this year.

Looking forward, we have several tasks ahead to ensure that we are positioned for future enrollment growth addressing both recruitment and retention.

We have begun a national search for a new director of admissions. Meanwhile, we have asked Dr. Harold Bardo, recently retired from the School of Medicine, to return on a part-time basis to provide management guidance to the admissions team.

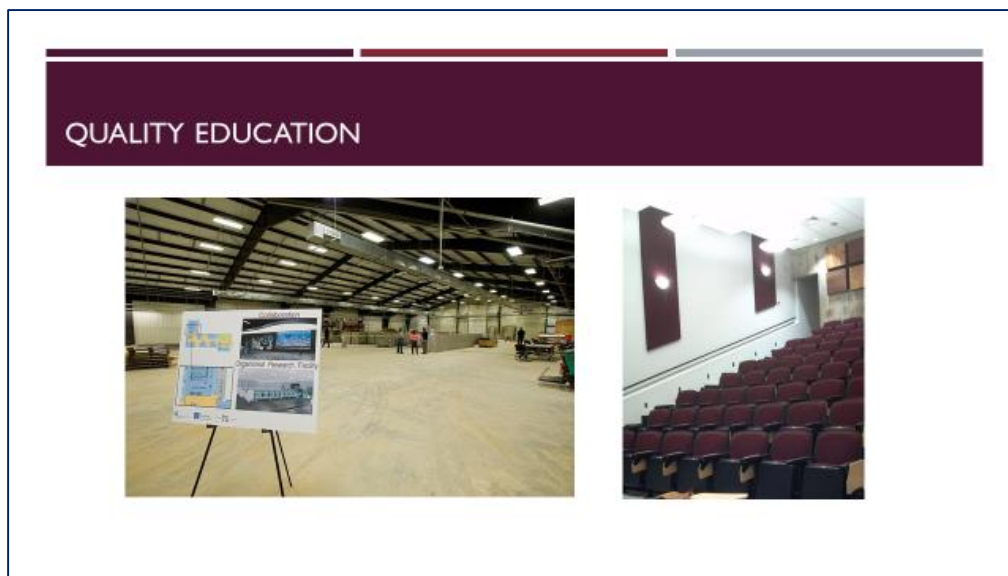
Once we have a new admissions director hired, we'll begin a search for an associate director.

We also anticipate beginning a search to fill the director's vacancy in the registrar's office; we are grateful to Tamora Workman, director of transfer student services, for serving as our interim registrar.

We must continue to invest strategically and effectively in enrollment management, marketing and retention.

The quality of our academic programs and faculty is also critically important to ensure that we are meeting the needs of our students, community and state.

Student recruitment and retention is a shared responsibility of every faculty and staff member, and I appreciate your continued focus on this priority.



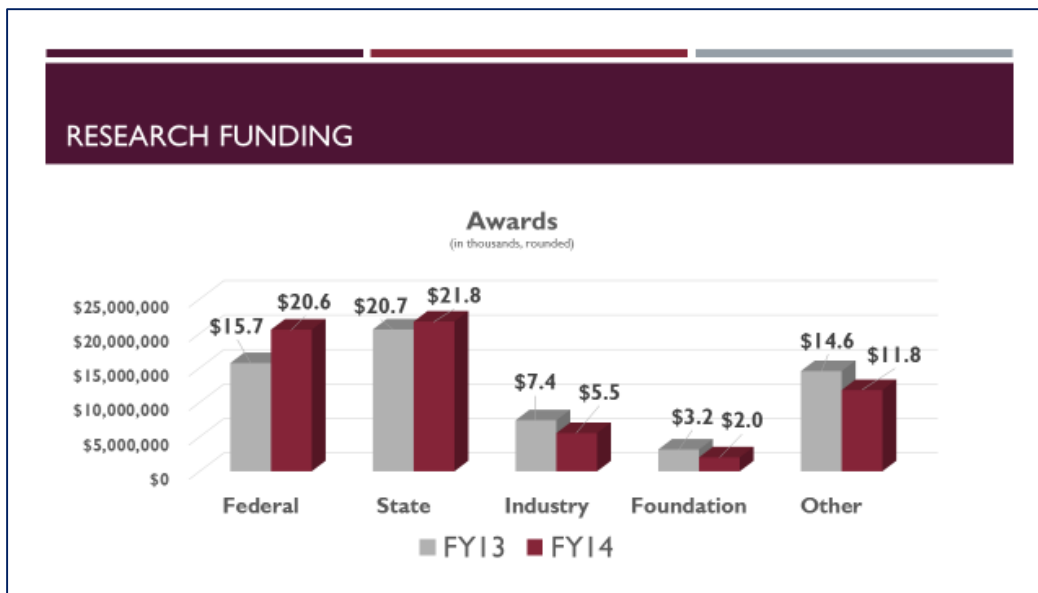
The second area for our focus relates to the core of our mission as a national doctoral research university with a regional focus: providing a quality education enhanced by strong research.

A significant factor in our success in both areas is the quality of our academic and research facilities.

We also must be positioned to recruit, retain and recognize outstanding faculty.

While we have lost a number of our senior-most faculty due to retirements, we are also recruiting faculty to fill positions in high-demand areas.

For example, we have recently filled 34 tenure track or tenured positions across campus. Another 41 have been approved for next year.



As you can see from this slide, we have had significant success in securing federal funding for research. Overall research funding for FY14 totaled \$61.67 million, relatively flat over the previous year.

Universities across the country have experienced similar challenges in research funding due to a number of factors, and our numbers have been further affected by the retirement of senior-level research faculty.

But we have a strong base of long-term and new faculty who will contribute to future growth, especially in capturing federal, interdisciplinary grants.

Our focus on research benefits our region and our students: externally sponsored research provides jobs, research and training opportunities for more than 1,000 undergraduate students and twice that many graduate students each year.

RESEARCH POLICIES AND PRACTICES



- Reallocation of overhead
- Principal investigators as fiscal officers
- Parking guidelines

To ensure that we are a research-friendly campus for faculty and students alike, we have reviewed and changed several policies or practices.

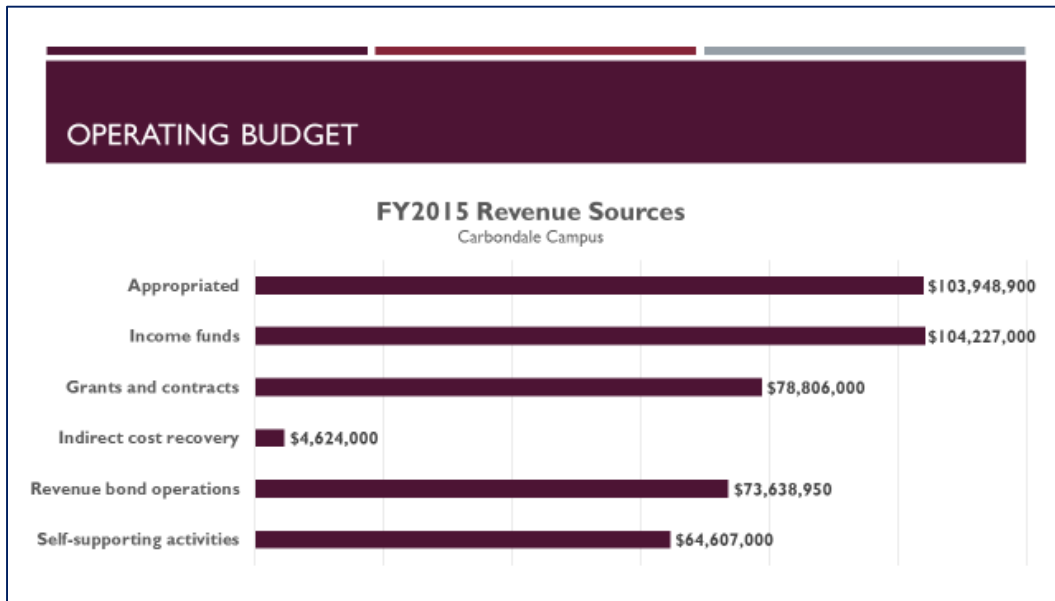
We are reinvesting in research. We have restored the overhead recovery model to allocate 9 percent of the total to the office of the vice chancellor for research rather than the office of the chancellor.

I have asked Interim Vice Chancellor Garvey to develop a fair distribution model for these funds. We are also restoring 2 percent to the School of Medicine for similar purposes.

To give principal investigators greater ability to manage their research, we are now allowing them to serve as fiscal officers on their grants, provided they wish to do so and receive approval from their supervisors. Deans and the Office of Sponsored Projects Administration will be responsible for monitoring and oversight.

We have also changed the parking guidelines to give more flexibility and access for parking research vehicles on campus, asking researchers to be respectful of all of our parking needs.

I have asked Dr. Garvey, in consultation with the Graduate Council, to continue to review our practices and recommend changes as appropriate.

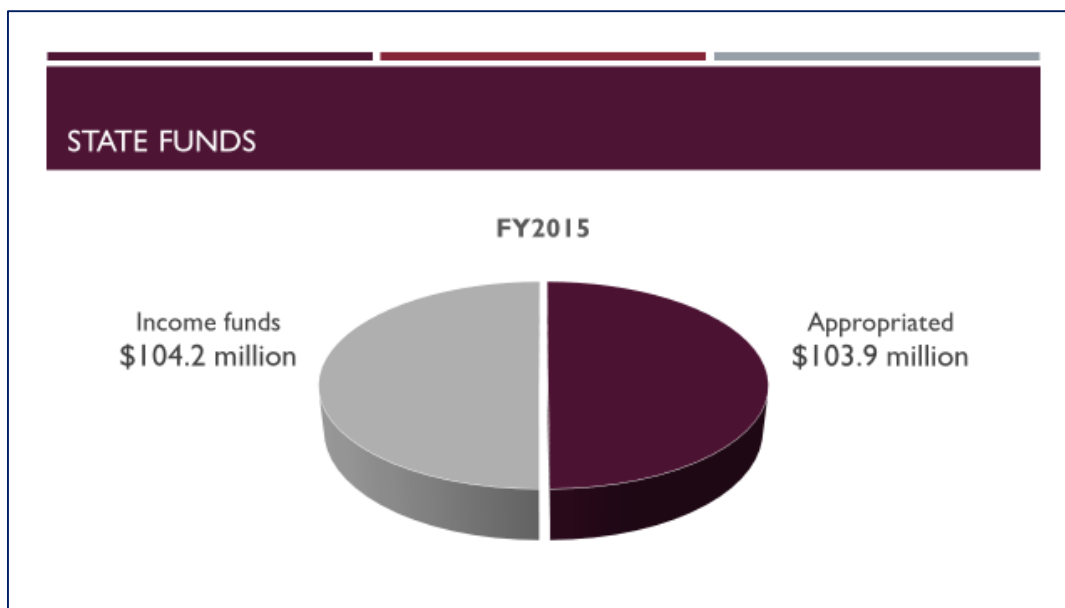


The third area of focus that deserves our attention is our operational efficiency and effectiveness. To provide context, let me give you a picture of our operating budget for this year, which totals \$430 million for the Carbondale campus (not including the School of Medicine).

This chart looks at all of our sources of revenue.

The first line is state appropriations, which are flat over last year; more than 90 percent of this total is allocated for salaries and wages.

The second line, “income funds” is our tuition revenue.



Let's look for a moment at just these two sources of revenue, which make up the state budgets that fund the general operating expenses in support of our mission.

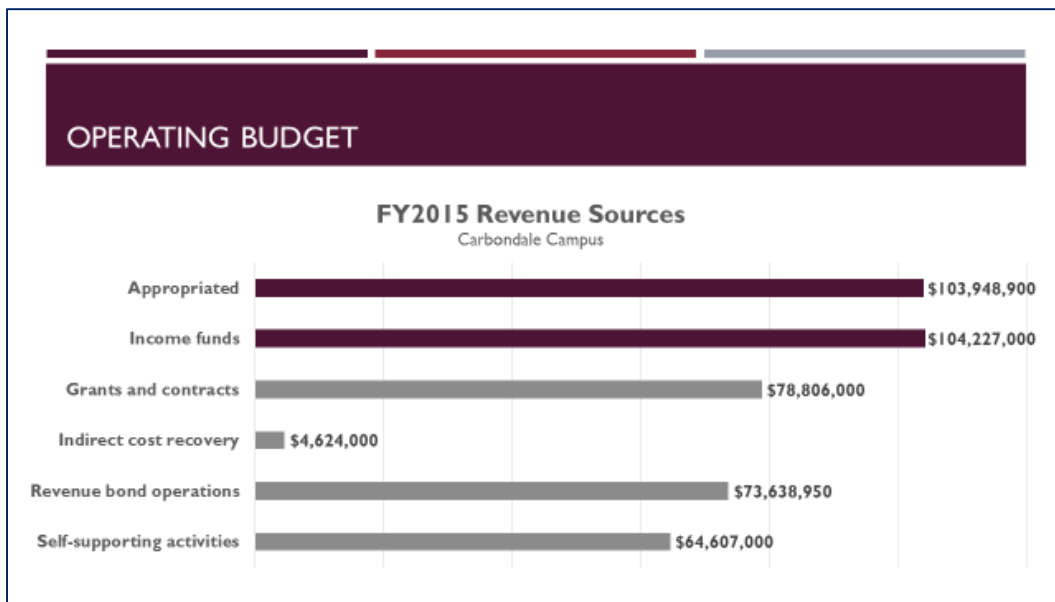
The appropriated funds on the right are roughly the same as last year. While we were pleased with a flat state allocation, it is important to understand that the state's budget is not currently sufficient to cover this funding due to the pending expiration of the state income tax increase Jan. 1. It is possible that we could face a mid-year reduction if the tax increase is not extended.

The other side reflects income funds, which are derived from tuition revenue. Two factors affect this number this year:

The first is that in order to ensure that we remain accessible, we did not increase tuition this year.

The second is that we increased the number of need-based financial aid waivers provided to students.

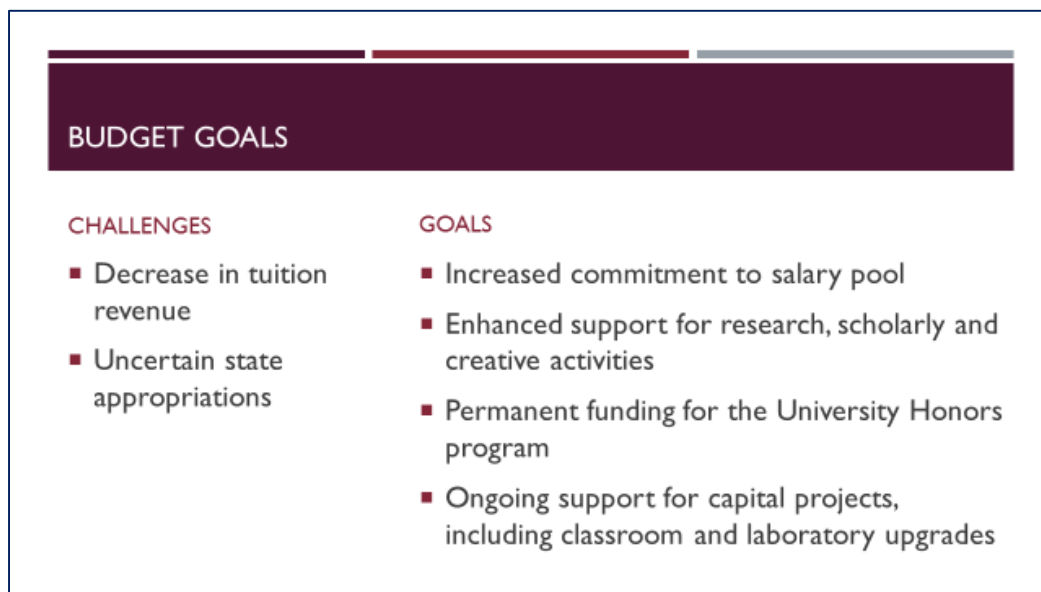
These strategic commitments, often referred to as tuition waivers, mean that we actually have about \$3 million less in tuition revenue than we did one year ago in spite of our modest growth in enrollment. I'll talk about plans to address this in a moment.



Going back to our budget slide, the bottom four numbers are primarily dedicated to specific purposes, such as research and auxiliary operations.

We also have about \$30 million in bond funding for designated capital projects, such as roof repair. In addition, the state's Capital Development Board is providing funding for the planning of the renovation and addition to the communications building.

Because the majority of these funds aside from the top two lines are designated for specific purposes, we do not have a great deal of flexibility in our historically tight budget and must rely primarily on our state funds from appropriations and tuition revenue.



In short, we have some financial challenges listed here on the left, and some important goals, listed on the right.

Our immediate financial challenges include:

- The decrease in tuition revenue driven by waivers
- Uncertainty about state appropriations

Our financial goals include:

- Increasing our commitment to the salary pool
- Enhancing our support for research, scholarly and creative activities
- Permanent funding for the University Honors program
- Ongoing support for capital projects to enhance the learning environment, including classroom and laboratory upgrades

Looking at this year's budget, aside from the uncertainties related to state appropriations, we need to identify about \$6.7 million, or between 3 and 4 percent of our operating budget, to address our shortfalls and support our goals.

For context, this compares with nearly 7 percent in cuts we made in the 2010 fiscal year, during the depths of the recession. It is doable, and we have already started working on them.

FINANCIAL EFFICIENCIES



- Strategic reduction of marketing expenses
 - Enrollment Management
 - University Communications and Marketing
- Consolidated IT contracting and purchasing
- Financial aid strategy review

For example, we will be spending several million less this year on marketing through the enrollment management and communications and marketing offices by more strategically targeting mailings to reduce printing and postage costs, by reducing paper costs, by moving selected marketing services in-house and other strategies.

We believe that we can create a number of additional efficiencies like these that will not impact future enrollment growth.


Our IT team is also generating savings by consolidating purchases and renegotiating contracts.

These steps will go a long way toward helping us address our budget gap for this year.

Going forward, we must look closely at our financial aid strategy to make sure we have a sustainable model that helps us continue to attract strong students while living within our financial means. This review is underway by our financial aid specialists.

Generally, our goal will be to make cuts through administrative reductions as much as possible in order to limit reductions to academic units.

OPERATIONAL UPDATES



- Discretion on term/continuing contracts
- Hiring of retired faculty and staff within state limits
- Reduced IT service charge to departments
- Expanded student work hours during breaks and summer

Aside from the need to identify financial efficiencies, I am also working with the leadership team on operational efficiencies.

I believe in a strong vice chancellor/dean model in which key decisions are made, whenever possible, at the unit level by those who have the most knowledge of operations.

For example, we have given vice chancellors and deans the discretion to determine whether employment contracts should be term or continuing within existing policies, based on unit needs and practices, and given satisfactory performance.

We are also allowing more flexibility in the hiring of retired faculty and staff, within the limits of state guidelines, to fill gaps in staffing.

In addition, we are looking for ways we can help departments manage costs. For example, I'm pleased to let you know that, working with IT, we are reducing the IT service charge paid by departments by 20 percent, effective this fiscal year. For example, the current charge of \$100 per month per full-time employee in high-use departments will be reduced to \$80.

Finally, we are moving forward to allow students to work more than 20 hours weekly during breaks and summer, based on individual circumstances and past hours worked, in order to make sure offices have the coverage they need and students have opportunities to work more hours.

We will continue to limit work hours to 20 per week when school is in session because it is considered a best practice and we do remain mindful of issues associated with the Affordable Care Act; this is an approach institutions are taking across the country.



One major question in my mind about efficiency and effectiveness also relates to our students, and that is the structure of the units that serve them.

Are the student service units, from enrollment management to housing to advising to University College to the Office of the Dean of Students, organized in a way that addresses the holistic needs of every student, or are there structures that could be more effective?

We have tried various models in the past, and I think it may be time to take another look at trends and best practices -- as well what makes sense for the unique needs of SIU Carbondale.

To help us advance this conversation, I will be appointing a task force to look at our current structure as well as those of other institutions and to recommend options based on a fair and thorough analysis.

I'm pleased to let you know that Dean Mickey Latour has agreed to chair this task force. Invitations to participants will be issued shortly.

We will continue to look at ways we can be more efficient and effective financially and operationally.

I welcome your suggestions and ideas.



The last area of focus that deserves our attention is regional engagement. This is a critically important mission of our university.

I mentioned earlier that we are a national university with a regional focus. We are an economic driver, we are a cultural resource, and we are a social service leader in southern Illinois.

Southern Illinois is home to our faculty, staff and many of our students, and we have an obligation to be engaged with our communities in ways that bring mutual benefits to the university and to the region.

We already do a lot; here are just a few examples, many of which I shared with alumni and friends recently at a dinner at the DuQuoin State Fair:

SIU faculty led the successful effort to secure a \$9 million federal award to acquire and demolish flood-prone homes and businesses of Olive Branch in Alexander County.



For the past 12 years, the dental hygiene program, along with local providers, has sponsored “Give Kids a Smile Day” providing free dental care to children who may not have access to regular treatment.

Each year, more than 60 interns from SIU and more than 200 student volunteers mentor at the Boys and Girls Club of Carbondale.

In addition, the Center for Service-Learning and Volunteerism's lengthy list of community partners includes the Jackson County Health Department, Women's Center, Alzheimer's Association, American Red Cross, Senior Adult Services, Crab Orchard National Wildlife Refuge, Murphysboro Youth Center, Habitat for Humanity and the Shawnee National Forest.

Our School of Medicine sees more than 118,000 patients annually, many at reduced cost.

These are just a few examples. I encourage all members of the university community to keep our regional focus in mind as you identify research, academic and community service opportunities for yourselves and for your students.



Let me turn to the third topic I want to address with you, and it is perhaps the most important.

We have much to be proud of as a campus, and like all universities, we have challenges ahead.

It is important that we address our challenges as a community that is respectful and tolerant.

I shared with you earlier that we had won our third consecutive HEED award for diversity.

We have also just received recognition from Campus Pride for being among the top 50 LGBT-friendly campuses in the country based on analysis of safety and academic life.

We are also proud of our noteworthy work on behalf of students with disabilities.

In addition, I've mentioned our growth in students attending from around the world.

And all of our staff and many of our students have recently been through training to ensure that we all understand our responsibilities for maintaining a welcoming, safe and responsive campus.

In other words, we welcome students, faculty and staff from all backgrounds, parts of the world, religions, orientations, perspectives and abilities.

The great diversity of our campus adds to the richness and vibrancy of our community and helps prepare our students for life in a global society.

I ask every member of our community to ensure that we are indeed a welcoming campus and to commit yourself to tolerance and civil discourse, even when you disagree.

I share my own commitment to transparency and shared governance, and I ask you to join me in looking forward toward shared goals and not backward at past differences.

That is the tone I hope to set in my time as your interim chancellor.



In closing, some folks have asked if I will change the strategic plan, and what I will do about this particular issue or that one. These are all good questions, and after eight weeks on the job, I can offer these thoughts.

First, we have a relatively new strategic plan that was developed with broad input from the campus community.

The plan provides a framework and addresses many of the issues we have talked about today: enrollment, financial resources, regional commitment and more.

These are the right issues, but even with the framework of the strategic plan, we have many internal gaps and holes that will impede our progress if we do not address them.

Some of these are structural, some of them are financial, some are related to policies and practices; regardless, I believe I can serve the university best by not kicking the can down the road for the next person to solve.

My plan is to identify and collaboratively tackle these gaps – many of which I have touched on today -- while reinforcing our focus on recruitment and retention, excellence in education and research, operational efficiency and regional engagement.

And I will join you in celebrating our successes along the way.



SIU Carbondale has a strong history, and I hold great optimism for an even greater future.

The key to our success lies not only in strong academic programs, research and regional commitment, but in living the ideals of shared governance, open communication and true collaboration and respect.

My optimism is founded in what I have learned the past eight weeks and what I know about this outstanding university after the past 28 years.

Everything is possible when a community works together toward shared goals.

I am honored to have this opportunity to work with you on behalf of SIU Carbondale, and I look forward to your input, collaboration and support.

Thank you.



THANK YOU!

SIU Southern Illinois University
CARBONDALE